

THE DEPUTY SECRETARY OF STATE
WASHINGTON

NSC UNDER SECRETARIES COMMITTEE

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November 11, 1976

NSC REVIEW
COMPLETED,
6/26/2003

MEMORANDUM FOR THE PRESIDENT

Subject: Quarterly Status Report on Implementation of
the US-USSR Bilateral Specialized Agreements:
April-June 1976

I am transmitting herewith the seventeenth report
on the implementation of the eleven bilateral specialized
cooperative agreements with the USSR. The report covers
the second quarter of calendar 1976.

On the political level, the period's activities
proceeded under the shadow of our March decision to
defer, in the wake of Angola, scheduling of high-visibility
Joint Committee meetings--Energy and Housing, as well as
the Joint Commercial Commission, which though similar
in format, is not under bilateral agreements covered
in this report. Through the end of the quarter we also
deliberately, but without formal announcement, declined
to consider other joint committee meetings. The deferrals
prompted numerous queries, indicating significant
Soviet concern over this course of events. As of this
date the Energy and Housing meetings remain deferred,
but in recent weeks we have put in train preparations
for the others, including the Joint Commercial Commission,
and several are now firmly scheduled.

However much our postponement actions may have
stung Moscow, it is noteworthy that Soviet performance
on the project level did not appear directly affected.

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The tempo of activity generally picked up, as is normal for the spring quarter in comparison with the first three months of the year.

In several areas, however, poor Soviet administrative or scheduling performance persists and contributes to delays, as described in the attached report. While it is always difficult to distinguish inefficiency from deliberate Soviet intent in such matters, Agriculture in particular is concerned over possible implications of the difficulties noted in its section of this report which continued through the third quarter.

On the US side, the widely-perceived second quarter low in overall US-Soviet relations contributed to some apparent lessening of interest in private sector participation and occasional US delays. Also, HUD and Transportation faced funding problems, as described below, which imposed limitations on the scope of their program activities. The third quarter report, now in preparation, will give additional perspective on these developments, which might reflect longer-term trends.

Environmental Protection

As noted last quarter, the mid-year review held in Moscow in May was successful, but the Soviets pressured us for firm dates for the Joint Committee meeting. We replied that the meeting could not take place before mid-November, but gave no firm dates.

Late this quarter we learned that the Soviets hoped to create within a year a central environmental agency similar to the Environmental Protection Agency, with standard-setting, research and development, and regulatory responsibilities. Doctor Yuriy Izrael, Chief of Hydromet and Soviet Chairman of the Joint US-USSR Committee, is a contender to head this agency, the precise roles of which are not yet set. Soviet sources indicated that some Soviet leaders want to restrict the new agency's regulatory powers in controlling air and water pollution. CIA believes that there is a possibility that such an agency will be created in the future, and if it is, that it will

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initially have limited powers. Soviet sources also stated that under the tenth Five Year Plan (1976-1980) some 11 billion rubles will be directly invested into environmental protection measures from the central Soviet budget. Eighty percent will be for water pollution, 10-12 percent for air pollution, and the remainder for soil pollution. These figures are in addition to routine environmental expenditures by individual production ministries and local authorities.

During a joint meeting on the effects of climate on the environment, a Soviet told us privately that Moscow was greatly concerned over news accounts of a CIA report that the northern hemisphere is undergoing a persistent cooling trend, with projected dire consequences for Soviet agriculture. Soviet climatologists were ordered to come up with their own estimates, one of which showed that a cooling trend had set in; the other estimate (which ultimately prevailed) argued that since the late '60s the cooling trend had been reversed by a warming trend, with possible negative long-term impact on Soviet agriculture. These studies resulted in an order for the Soviet hydrometeorological service to intensify its research on climate change, which, in turn, suggests that the Soviets will be even more eager to cooperate with us in this specific field than they have been in the past.

Medical Science and Public Health

A major highlight of the quarter was the implantation of the first USSR total artificial heart to be exchanged in the Artificial Heart Research and Development Agreement. The device was implanted in a calf by a team of US and Soviet surgeons in Houston, Texas, on June 25. The event received considerable national press coverage.

Also during the quarter, three Cancer Area Annual Program Reviews took place in the USSR. Agreement was reached to publish a joint monograph - "Analysis and Correlations of Screening Systems of Anti-Cancer Drugs in the USA and USSR" - containing the results obtained by both countries in experimental tumor systems used

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for anti-cancer drug screening. Both sides have also agreed to give special emphasis to joint efforts toward improving treatment for all forms of lung cancer. Five American and five Soviet anti-cancer drugs will now be evaluated jointly in clinical trials. US program coordinators also feel that new plans for organizing several studies will be instrumental in exposing younger and "working level" Soviet scientists to the value of this program.

Overall Soviet performance this quarter has been between satisfactory and good. As noted last quarter, the Soviets are showing considerable interest in developing modern technology for production of inactivated influenza vaccines. In June a trip was arranged for one Soviet scientist to visit a manufacturer of vaccines in the US. Although there was an apparent interest in buying equipment for vaccine production, nothing concrete was discussed.

Housing and Other Construction

First meetings of three working groups--Building Design and Construction Management, Building Materials and Components, and Construction in Seismic Areas--were held during the quarter, and projects were agreed upon that will form the substantive basis for cooperation for at least the next year. The major benefit in the first two of these working groups will be to the Soviets because of the US technological lead. However, the Soviets do have considerable experience in building in seismic zones and some of that experience may prove useful to US efforts in this field.

A HUD official in the Working Group on New Towns has prepared for publication a major report, with maps and charts, on Soviet new towns and urban growth policy. The report was based on earlier research conducted by American scholars and supplemented by data obtained through documentation and visit exchanges under the Agreement.

At the meeting of the Working Group on Building Materials and Components the Soviets expressed strong interest in asbestos cement, mineral fiber materials,

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plastic pipe in construction, and especially in the use of wood. A Soviet official volunteered the information that a glue-laminated products plant would be built soon in the USSR.

The Soviets also indicated an interest in the management and control of large-scale development of new towns. It had been thought previously that the management aspects of new towns had been further down on the Soviet priority list insofar as this Agreement was concerned.

The Soviets generally facilitated cooperation during the quarter, though an irritant has materialized in connection with the Working Group on Extreme Climates. At Soviet request, the US side prepared an itinerary and program for a visit of Soviet specialists to the US during the second quarter. Three times US officials have arranged and proposed itineraries and each time the program has been rejected by the Soviets without giving sufficient reason. The initiative is now with the Soviets.

Funding on the US side is a continuing problem in the implementation of this Agreement, as HUD has no line item in its budget for the projects under its direct control. The frequency of working group meetings may have to be reduced from every 12 months to 18 month intervals, in order to conserve funds and reduce the impact on substantive personnel engaged in domestic programs. Lack of funds for translations is also reducing our ability to assess and exploit data being exchanged.

World Oceans

Soviet Co-Chairman Academician Aleksandr V. Sidorenko visited the United States April 19-May 5, and attended the Joint Working Group Meeting on Geology, Geophysics, and Geochemistry of the World Oceans in Hawaii. Discussions between the US Co-Chairman, Dr. Robert M. White, and Sidorenko took place in Washington, D.C., and each agreed that the accomplishments under the Agreement should be assessed at the end of the five years. Sidorenko made it known that the Soviets are anxious to continue and expand the Agreement and are especially

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interested in the practical applications of joint studies in these areas.

In the Large Scale Mid-Ocean Dynamics experiment (POLYMODE), the two co-chairmen reviewed the need for a teletype link, exchange of liaison scientists and participation of other nations. Sidorenko agreed to see that action was taken on the Soviet side. However, Soviet failure to reply to date on these items continues to impair progress in POLYMODE. A Moscow meeting of the POLYMODE Joint Organizing Committee in April provided for formal exchange regarding the February decision by the Soviets to move their study 1,000 nautical miles north from the Nares plain region to the Gulf Stream extension. Although the nature of POLYMODE cooperation will change considerably, both sides agreed that this new area of Gulf Stream rings is important and that the primitive Soviet instrumentation will be more sensitive to this region of large contrasts in ocean properties.

Two new initiatives were agreed upon at the Hawaii Geology and Geophysics meeting. New studies in Lithospheric and Sediment Dynamics will help to improve our understanding of tectonic processes and sedimentation rates that affect the ocean floor. The Joint Working Group in Biology met also in May and prepared a realistic proposal of activities for 1975-1980. Several joint symposia and cruises are now planned for later this year, giving forward motion in areas which have seen little progress. The Soviet vessel BELOGORSK took oceanographic sections across a Gulf Stream eddy in April at the request of the National Marine Fisheries Service Laboratory in Woods Hole. These data will help in determining the relation of this eddy to species distribution. Soviet cooperation in this eddy study is one of many instances where the abundance of Soviet research vessel time has had positive effect on the progress of the Ocean Agreement.

Science and Technology

The Soviets had been anxious to schedule the next meeting of the Joint Commission in October or November. However, when the US proposed December, they responded by suggesting January or February. Meanwhile, they have

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agreed to take needed Joint Commission action to approve new projects in metrology and perhaps also on geomicrobiology by correspondence rather than to wait for a meeting.

The Soviets anticipate resolution of patent problems on single-cell protein processes, thereby permitting them to agree in principle to US access to SCP plants by the end of the year. However, they have also agreed with us to shift the focus of cooperation from industrial to academic issues.

A Soviet letter on physics lists a few more topics of interest. It remains to be seen whether current correspondence will lead at long last to initiation of cooperative activity in this field, first proposed in 1973.

Soviet last-minute changes of dates for meetings continue to wreak havoc with plans of US participants. A welcome development, however, is Soviet designation of a ranking State Committee on Science and Technology official as a replacement Soviet Executive Secretary. The US and Soviet Executive Secretaries agreed on a standard format to be recommended to working group and project chairmen for their minutes of discussion.

Space

Soviet specialists presented information to their American counterparts on the basic structural and technical characteristics, the scientific objectives and preliminary results of the Venera-9 and -10 missions at a bilateral meeting held during the June Committee on Space Research (COSPAR) session. At the meeting the Soviets were frank and specific in their discussions, to the point of indicating problems and disagreements in interpretation of data. The Soviets gave us copies of all preprints and most of the charts which were used in their discussion.

The Natural Environment Working Group, which met at the Goddard Space Flight Center (GSFC) in May, has reported that the program of remote sensing of agricultural crops and natural vegetation at analogous US and USSR test sites is proceeding according to schedule. The Soviet side has

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provided the first "ground truth" from the Soviet agricultural site in Kursk for calibration of remotely sensed aircraft data of surface features, including wheat. The members of the Soviet delegation were specialists who came prepared to roll up their sleeves and get down to work.

Energy

The Soviets have continued working-level cooperation, even though the US postponed the Energy Joint Committee meeting which had been scheduled for March, and even though the US has taken no initiative since then to reschedule that meeting. Overall Soviet performance during the quarter was generally satisfactory, and apparently not adversely affected by our not being prepared to reschedule the Joint Committee meeting.

At the meeting of the US and Soviet Executive Secretaries in the USSR in late June, agreement was reached to seek Joint Committee approval of new topics for cooperation through correspondence between the chairmen without waiting for a Joint Committee meeting. Progress was made in identifying the topics to be approved.

We have obtained Soviet confirmation of willingness to cooperate in the gas topic of most interest to us, Arctic Construction and Operations. The Department of Defense has expressed at the working level reservations about export to the USSR of a cryogenic refrigerator for the superconducting transmission project. These reservations must be addressed, as the agreed-upon provision of the refrigerator is central to the success of the joint project as currently defined.

The Soviet view that some other electric power projects in addition to Magnetohydrodynamics (MHD) and superconducting transmission should move into joint design, joint construction, or joint experiments warrants our attention. In the MHD area, positive Soviet responses to a US request to alter some upcoming experiments will give us excellent opportunities for testing a US channel on a Soviet generator.

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Agriculture

In the Research and Technology area, a US team participated in a saline soils workshop, another studied durum and spring wheat breeding and growing practices, and a third attended a sunflower conference and afterwards had special travel and meetings. The Soviets were very slow in arranging these last two team programs and omitted several requested institutes from the itinerary. The Soviets sent one man on an extended veterinarian research study of enteric diseases of swine, the counterpart to an earlier US visit to the USSR on bovine leukemia, part of an experimental receiving-side-pays arrangement.

Two US Economic Research and Information teams were sent to the USSR, one to study the Soviet's 1976-1980 livestock plans and the other to observe and evaluate the current winter wheat and feedgrain crops in the Soviet Union. The first of these teams was well received, but the program offer to the second came back very late, was way short of what was requested, and had to be improved at the last minute. One Soviet team studied forecasting agricultural production and demand, a second was interested in agro-industrial complexes, and a third requested to see our milk handling for large cities.

At the consultative meeting of the Economic Research and Information Working Group, held in Moscow June 8-9, our representatives had their first meeting with the new leader of the USSR side, A. I. Monov, who replaced a Soviet official of higher rank.

Following some improvement in several administrative aspects during the first quarter, scheduling and other programming problems were notably larger in the second quarter of 1976. Despite timely and complete US programming of Soviet teams, Soviet program offers for three consecutive US teams came back late and were notably limited in comparison to our requests. Another offer for a US team scheduled to start in early July was so poor that we decided not to send it this year and not to receive a corresponding Soviet team on the same topic of frozen soils. The Soviets continued to push hard for funding of exchanges on a receiving-side-pays basis.

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There was also a successful beginning for an exchange of 15 young agriculturists between the National 4-H Foundation of the US and the USSR Ministry of Agriculture.

Transportation

A mid-year review meeting in Moscow took place in June between US and USSR Executive Secretaries and with E. A. Aykazyan, Soviet State Committee on Science and Technology. Agreement was reached to exchange lists by working group area of current or new priority subjects. This step should help the Joint Committee to focus on priority interests, and could lead to some restructuring of the cooperative effort. This agreement was preceded by a frank explanation, appreciated by the Soviets, that because of funding, personnel shortages, motivational, and other problems, the US side was in the process of reviewing all activities to ensure that the joint effort would concentrate only on mutually beneficial areas. At the meeting the Soviets expressed interest in pushing long-term trainee exchanges. We reacted somewhat negatively because of personnel and funding shortages.

We acquired useful information relating to tunneling and valuable rail information during visits and by correspondence. A sale by Cardwell Westinghouse of 200-300 draft gear devices appears to be in the offing as a result of successful Soviet testing of one of the devices furnished under the joint rail hardware/concrete tie testing project.

The Soviets are apparently trying to use the civil aviation airworthiness subgroup as a forum for numerous inquiries about the status of the negotiations on the US-USSR Airworthiness Agreement. We have resisted by advising them that those negotiations are outside the competence of this subgroup. We are following closely the applications by a Swedish firm for export licenses of US Air Traffic Control (ATC) equipment for re-export to the USSR in connection with the former's contract to furnish the Soviets a modern ATC system.

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The Soviets have been forthcoming in all areas except ice transiting. The Soviets informed us that they cannot agree to the commercial ship Arctic voyage exchange proposed by the US side last fall because it is related to subjects under discussion in UN Law of the Sea meetings.

Atomic Energy

Dr. Richard Roberts, Assistant Administrator for Nuclear Energy, ERDA, and a small accompanying party completed a successful two-week tour of USSR atomic energy facilities in early June. The Roberts group met with representatives of the USSR State Committee for Utilization of Atomic Energy and the Ministries of Power and Electrification and Power Machine Building and came away impressed with the USSR's strong, long-range commitment to atomic energy.

High level Soviet Atomic Energy officials made inquiries about scheduling the Joint Committee meeting; they showed no surprise when Dr. Roberts responded that he was not in a position to discuss dates. Since then the meeting has been scheduled for December 6.

In the Fast Breeder Reactor area, ERDA shipped during the quarter five tubes of intermediate heat exchanger tubing unexposed to sodium for testing in the USSR and is expecting to receive Soviet tubing for testing in the US in the near future.



Charles W. Robinson
Chairman

Attachment:

Report for the Second Quarter 1976.

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Routing Slip

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November 11, 1976

TO: The Deputy Secretary of Defense
The Assistant to the President for
National Security Affairs
The Director of Central Intelligence
The Chairman of the Joint Chiefs of Staff
The Under Secretary of the Interior
The Deputy Secretary of Agriculture
The Under Secretary of Commerce
The Under Secretary of Health, Education
and Welfare
The Under Secretary of Housing and Urban
Development
The Under Secretary of Transportation
The Administrator, Energy Research and
Development Administration
The Administrator, Federal Energy
Administration
The Administrator, National Aeronautics and
Space Administration
The Director, Office of Science and Technology
Policy
The Acting Director, National Science Foundation
The Director, United States Information Agency
The Chairman, Council on Environmental Quality

SUBJECT: Quarterly Status Report on Implementation
of the US-USSR Bilateral Specialized
Agreements: April-June 1976

The Chairman has forwarded the attached memorandum
to the President. A copy is provided for your information.

Rutherford M. Poats
Acting Staff Director

Attachment:

As stated

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